House File 2477 - Reprinted

HOUSE FILE 2477
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO HSB 559)

(As Amended and Passed by the House March 3, 2010)

A BILL FOR

- 1 An Act relating to mechanics' liens including the establishment
- 2 of a state construction registry for residential
- 3 construction property and providing an effective date.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 1 Section 1. Section 572.1, Code 2009, is amended to read as 2 follows:
- 3 572.1 Definitions and rules of construction.
- 4 For the purpose of this chapter:
- 5 <u>1. "Authority"</u> means the Iowa finance authority established 6 in section 16.2.
- 7 $\frac{1}{1}$ $\frac{2}{1}$ "Building" shall be construed as if followed by the
- 8 words "erection, or other improvement upon land".
- 9 3. "General contractor" includes every person who does work
- 10 or furnishes materials by contract, express or implied, with an
- 11 owner. "General contractor" does not include a person who does
- 12 work or furnishes materials on contract with an owner-builder.
- 13 2. 4. "Labor" means labor completed by the claimant.
- 14 3. 5. "Material" shall, in addition to its ordinary
- 15 meaning, include includes machinery, tools, fixtures, trees,
- 16 evergreens, vines, plants, shrubs, tubers, bulbs, hedges,
- 17 bushes, sod, soil, dirt, mulch, peat, fertilizer, fence wire,
- 18 fence material, fence posts, tile, and the use of forms,
- 19 accessories, and equipment furnished by the claimant.
- 20 4. 6. "Owner" means the record legal or equitable
- 21 titleholder and every person for whose use or benefit any
- 22 building, erection, or other improvement is made, having the
- 23 capacity to contract, including quardians of record.
- 24 5. "Owner-occupied dwelling" means the homestead of an
- 25 owner, as defined in section 561.1, and without respect to the
- 26 value limitations in section 561.3, and actually occupied by
- 27 the owner or the spouse of the owner, or both. "Owner-occupied
- 28 dwelling includes a newly constructed dwelling to be occupied
- 29 by the owner as a homestead, or a dwelling that is under
- 30 construction and being built by or for an owner who will occupy
- 31 the dwelling as a homestead.
- 32 7. "Owner-builder" means the legal or equitable titleholder
- 33 of record who furnishes material or performs labor upon a
- 34 building, erection, or other improvement and who offers or
- 35 intends to offer to sell the owner-builder's property without

- 1 occupying or using the structures, properties, developments,
- 2 or improvements for a period of more than one year from the
- 3 date the structure, property, development, or improvement is
- 4 substantially completed or abandoned.
- 5 8. "Residential construction" means construction on
- 6 single-family or two-family dwellings occupied or used, or
- 7 intended to be occupied or used, primarily for residential
- 8 purposes, and includes real property pursuant to chapter 499B.
- 9 9. "State construction registry" means a centralized
- 10 computer database maintained and posted on the internet by
- 11 the authority that provides a central repository for the
- 12 submission and management of preliminary notices and notices
- 13 of commencement of work on all residential construction
- 14 properties.
- 15 10. "State construction registry number" means a number
- 16 provided by the authority for all construction properties
- 17 posted to the state construction registry.
- 18 6. 11. "Subcontractor" shall include includes every person
- 19 furnishing material or performing labor upon any building,
- 20 erection, or other improvement, except those having contracts
- 21 directly with the owner. "Subcontractor" shall include those
- 22 persons having contracts directly with an owner-builder.
- 23 Sec. 2. Section 572.2, Code 2009, is amended to read as
- 24 follows:
- 25 572.2 Persons entitled to lien.
- 26 l. Every person who shall furnish furnishes any material
- 27 or labor for, or perform performs any labor upon, any building
- 28 or land for improvement, alteration, or repair thereof,
- 29 including those engaged in the construction or repair of any
- 30 work of internal or external improvement, and those engaged
- 31 in grading, sodding, installing nursery stock, landscaping,
- 32 sidewalk building, fencing on any land or lot, by virtue of any
- 33 contract with the owner, owner-builder, general contractor,
- 34 or subcontractor shall have a lien upon such building or
- 35 improvement, and land belonging to the owner on which the same

- 1 is situated or upon the land or lot so graded, landscaped,
- 2 fenced, or otherwise improved, altered, or repaired, to secure
- 3 payment for the material or labor furnished or labor performed.
- 4 2. If material is rented by a person to the owner,
- 5 general contractor, or subcontractor, the person shall have a
- 6 lien upon such building, improvement, or land to secure payment
- 7 for the material rental. The lien is for the reasonable rental
- 8 value during the period of actual use of the material and any
- 9 reasonable periods of nonuse of the material taken into account
- 10 in the rental agreement. The delivery of material to such
- 11 building, improvement, or land, whether or not delivery is made
- 12 by the person, creates a presumption that the material was
- 13 used in the course of alteration, construction, or repair of
- 14 the building, improvement, or land. However, this presumption
- 15 shall not pertain to recoveries sought under a surety bond.
- 3. An owner-builder is not entitled to a lien under
- 17 this chapter as to work the owner-builder performs, or is
- 18 contractually obligated to perform, prior to transferring title
- 19 to the buyer.
- Sec. 3. Section 572.8, subsection 1, Code 2009, is amended
- 21 by adding the following new paragraph:
- 22 NEW PARAGRAPH. d. The address of the property or a
- 23 description of the location of the property.
- 24 Sec. 4. Section 572.9, Code 2009, is amended to read as
- 25 follows:
- 26 572.9 Time of filing.
- 27 The statement of account required by section 572.8 shall
- 28 be filed by a principal general contractor or subcontractor
- 29 within two years and ninety days after the date on which the
- 30 last of the material was furnished or the last of the labor was
- 31 performed.
- 32 Sec. 5. Section 572.10, Code 2009, is amended to read as
- 33 follows:
- 34 572.10 Perfecting lien after lapse of ninety days.
- 35 A general contractor or a subcontractor may perfect a

- 1 mechanic's lien pursuant to section 572.8 beyond ninety days
- 2 after the date on which the last of the material was furnished
- 3 or the last of the labor was performed by filing a claim with
- 4 the clerk of the district court and giving written notice
- 5 thereof to the owner. Such notice may be served by any person
- 6 in the manner original notices are required to be served.
- 7 If the party to be served is out of the county wherein the
- 8 property is situated, a return of that fact by the person
- 9 charged with making such service shall constitute sufficient
- 10 service from and after the time it was filed with the clerk of
- ll the district court.
- 12 Sec. 6. Section 572.11, Code 2009, is amended to read as
- 13 follows:
- 14 572.11 Extent of lien filed after ninety days.
- 15 Liens perfected under section 572.10 shall be enforced
- 16 against the property or upon the bond, if given, by the owner
- 17 or owner-builder, only to the extent of the balance due from
- 18 the owner to the general contractor or owner-builder at the
- 19 time of the service of such notice; but if the bond was given by
- 20 the general contractor or owner-builder, or person contracting
- 21 with the subcontractor filing the claim for a lien, such bond
- 22 shall be enforced to the full extent of the amount found due
- 23 the subcontractor.
- Sec. 7. Section 572.13, Code 2009, is amended by striking
- 25 the section and inserting in lieu thereof the following:
- 26 572.13 General contractor owner notice residential
- 27 construction.
- 28 1. A general contractor who has contracted or will contract
- 29 with a subcontractor to provide labor or furnish material for
- 30 the property shall provide the owner with the following owner
- 31 notice in writing in boldface type of a minimum size of ten
- 32 points:
- 33 "Persons or companies furnishing labor or materials for
- 34 the improvement of real property may enforce a lien upon the
- 35 improved property if they are not paid for their contributions,

- 1 even if the parties have no direct contractual relationship
- 2 with the owner. The state construction registry provides
- 3 a listing of all persons or companies furnishing labor or
- 4 materials who may file a lien upon the improved property.
- 5 If the person or company has posted its notice to the state
- 6 construction registry, you may be required to pay the person or
- 7 company even if you have paid the general contractor the full
- 8 amount due. Therefore, check the state construction registry
- 9 internet website for information about the property including
- 10 persons or companies furnishing labor or materials before
- 11 paying your general contractor. In addition, when making
- 12 payment to your general contractor, it is important to obtain
- 13 lien waivers from your general contractor and from persons or
- 14 companies furnishing labor or materials to your property. The
- 15 information in the state construction registry is posted on the
- 16 internet website of the Iowa finance authority."
- 17 2. The notice described in subsection 1 shall also contain
- 18 the internet website address and toll-free telephone number of
- 19 the state construction registry.
- 20 3. A general contractor who fails to provide notice pursuant
- 21 to this section is not entitled to a lien and remedy provided
- 22 by this chapter.
- 23 4. This section applies only to residential construction
- 24 properties.
- 25 Sec. 8. NEW SECTION. 572.13A Notice of commencement of work
- 26 general contractor owner-builder.
- 27 l. A general contractor or owner-builder shall submit
- 28 a notice of commencement of work to the authority or post
- 29 a notice of commencement of work to the state construction
- 30 registry internet website within ten days of commencement of
- 31 work on the property. A notice of commencement of work is
- 32 effective only as to any labor, service, equipment, or material
- 33 furnished to the property subsequent to the posting of the
- 34 notice of commencement of work. A notice of commencement of
- 35 work shall include all of the following information:

- 1 a. The name and address of the property owner.
- 2 b. The name and address of the general contractor or
- 3 owner-builder.
- 4 c. The address of the property if the property can be
- 5 reasonably identified by an address or the name and a general
- 6 description of the location of the property if the property
- 7 cannot be reasonably identified by an address.
- 8 d. A legal description of the property.
- 9 e. The date work commenced.
- 10 f. Any other information prescribed by the authority
- 11 pursuant to rule.
- 12 2. If a general contractor or owner-builder fails to submit
- 13 a notice of commencement of work to the authority or fails to
- 14 post the required notice of commencement of work to the state
- 15 construction registry internet website pursuant to subsection
- 16 1, within ten days of commencement of the work on the property,
- 17 a subcontractor may submit or post the notice in conjunction
- 18 with the filing of the required preliminary notice pursuant to
- 19 section 572.13B.
- 20 3. At the time a notice of commencement of work is posted on
- 21 the state construction registry internet website, the authority
- 22 shall send a copy of the owner notice described in section
- 23 572.13 along with other relevant information to the owner and
- 24 to the property address, addressed to "owner", as prescribed by
- 25 the authority pursuant to rule.
- 26 4. A general contractor who fails to provide notice pursuant
- 27 to this section is not entitled to a lien and remedy provided
- 28 by this chapter.
- 29 5. This section applies only to residential construction
- 30 properties.
- 31 Sec. 9. NEW SECTION. 572.13B Preliminary notice —
- 32 subcontractor residential construction.
- 33 1. A subcontractor shall submit a preliminary notice
- 34 to the authority or post a preliminary notice to the state
- 35 construction registry internet website. A preliminary notice

- 1 posted prior to the balance paid to the general contractor
- 2 or owner-builder by the owner is effective as to all labor,
- 3 service, equipment, and material furnished to the property by
- 4 the subcontractor. The preliminary notice shall contain all
- 5 of the following information:
- 6 a. The name of the owner.
- 7 b. The state construction registry number.
- 8 $\,$ $\,$ $\,$ $\,$ $\,$ $\,$ The name, address, and telephone number of the
- 9 subcontractor furnishing the labor, service, equipment, or
- 10 material.
- d. The name and address of the person who contracted
- 12 with the claimant for the furnishing of the labor, service,
- 13 equipment, or material.
- 14 e. The name of the general contractor or owner-builder under
- 15 which the claimant is performing or will perform the work.
- 16 f. The address of the property or a description of the
- 17 location of the property.
- 18 g. Any other information required by the authority pursuant
- 19 to rule.
- 20 2. a. A mechanic's lien perfected under this chapter
- 21 is enforceable only to the extent of the balance due the
- 22 general contractor or owner-builder prior to the posting of a
- 23 preliminary notice specified in subsection 1.
- 24 b. Except for residential construction property owned
- 25 by an owner-builder, a mechanic's lien perfected under this
- 26 chapter is enforceable only to the extent of the balance due
- 27 the general contractor at the time the owner actually receives
- 28 the notice sent pursuant to subsection 3.
- 29 c. In any action to enforce a mechanic's lien perfected
- 30 under this chapter against the owner, the subcontractor bears
- 31 the burden to prove by a preponderance of the evidence that the
- 32 owner actually received notice pursuant to subsection 3.
- 33 3. At the time a preliminary notice is posted to the state
- 34 construction registry, the authority shall send notification
- 35 to the owner as prescribed by the authority pursuant to

- 1 rule, including the owner notice described in section 572.13,
- 2 subsection 1. Notices under this section will not be sent
- 3 to owner-builders. For purposes of satisfying the notice
- 4 requirement in subsection 2, concerning actual receipt of such
- 5 notice, a subcontractor may provide a separate notice directly
- 6 to the owner.
- 7 4. A subcontractor who fails to submit or post a preliminary
- 8 notice pursuant to this section shall not be entitled to a lien
- 9 and remedy provided under this chapter.
- 10 5. This section applies only to residential construction 11 properties.
- 12 Sec. 10. Section 572.14, Code 2009, is amended by striking
- 13 the section and inserting in lieu thereof the following:
- 14 572.14 Liability to subcontractor after payment to general
- 15 contractor or owner-builder.
- 16 Except as provided in section 572.13B, payment to the
- 17 general contractor or owner-builder by the owner of any part or
- 18 all of the contract price of the building or improvement within
- 19 ninety days after the date on which the last of the materials
- 20 was furnished or the last of the labor was performed by a
- 21 subcontractor, does not relieve the owner from liability to the
- 22 subcontractor for the full value of any material furnished or
- 23 labor performed upon the building, land, or improvement if the
- 24 subcontractor files a lien within ninety days after the date
- 25 on which the last of the materials was furnished or the last of
- 26 the labor was performed.
- 27 Sec. 11. Section 572.15, Code 2009, is amended to read as
- 28 follows:
- 29 572.15 Discharge of subcontractor's mechanic's lien bond.
- 30 A mechanic's lien may be discharged at any time by the owner,
- 31 principal contractor, or intermediate subcontractor filing with
- 32 the clerk of the district court of the county in which the
- 33 property is located a bond in twice the amount of the sum for
- 34 which the claim for the lien is filed, with surety or sureties,
- 35 to be approved by the clerk, conditioned for the payment of any

- 1 sum for which the claimant may obtain judgment upon the claim.
- 2 Sec. 12. Section 572.16, Code 2009, is amended to read as
- 3 follows:
- 4 572.16 Rule of construction.
- 5 Nothing in this chapter shall be construed to require
- 6 the owner to pay a greater amount or at an earlier
- 7 date than is provided in the owner's contract with the
- 8 principal general contractor, unless said the owner pays a part
- 9 or all of the contract price to the original general contractor
- 10 before the expiration of the ninety days allowed by law for
- 11 the filing of a mechanic's lien by a subcontractor; provided
- 12 that in the case of an owner-occupied dwelling residential
- 13 construction, nothing in this chapter shall be construed to
- 14 require the owner to pay a greater amount or at an earlier
- 15 date than is provided in the owner's contract with the
- 16 principal general contractor, unless the owner pays a part or
- 17 all of the contract price to the principal general contractor
- 18 after receipt of notice under section 572.14, subsection 2 a
- 19 preliminary notice has been posted to the state construction
- 20 registry internet website pursuant to section 572.13B.
- 21 Sec. 13. Section 572.17, Code 2009, is amended to read as
- 22 follows:
- 23 572.17 Priority of mechanics liens between mechanics.
- 24 Mechanics' liens shall have priority over each other in
- 25 the order of the filing of the statements or of accounts as
- 26 herein provided in section 572.8.
- 27 Sec. 14. Section 572.18, subsections 1 and 3, Code 2009, are
- 28 amended to read as follows:
- 29 1. Mechanics' liens filed by a principal general contractor
- 30 or subcontractor within ninety days after the date on which
- 31 the last of the material was furnished or the last of the
- 32 claimant's labor was performed and for which notices were
- 33 properly submitted or posted to the state construction registry
- 34 internet website pursuant to sections 572.13A and 572.13B shall
- 35 be superior to all other liens which may attach to or upon

- 1 a building or improvement and to the land upon which it is
- 2 situated, except liens of record prior to the time of the
- 3 original commencement of the claimant's work or the claimant's
- 4 improvements, except as provided in subsection 2.
- 5 3. The rights of purchasers, encumbrancers, and other
- 6 persons who acquire interests in good faith, for a valuable
- 7 consideration, and without notice of a lien perfected
- 8 pursuant to this chapter, are superior to the claims of all
- 9 general contractors or subcontractors who have perfected their
- 10 liens more than ninety days after the date on which the last
- ll of the claimant's material was furnished or the last of the
- 12 claimant's labor was performed.
- Sec. 15. Section 572.22, unnumbered paragraph 1, Code 2009,
- 14 is amended to read as follows:
- 15 The clerk of the court shall endorse upon every claim for
- 16 a mechanic's lien filed in the clerk's office the date and
- 17 hour of filing and make an abstract thereof in the mechanic's
- 18 lien book kept for that purpose. Said book shall be properly
- 19 indexed and index every claim in the office of the clerk of the
- 20 county where such real estate is situated. Each claim shall
- 21 contain the following items concerning each claim:
- Sec. 16. Section 572.23, subsection 1, Code 2009, is amended
- 23 to read as follows:
- 24 l. When a mechanic's lien is satisfied by payment of the
- 25 claim, the claimant shall acknowledge satisfaction thereof upon
- 26 the mechanic's lien book, or otherwise in writing, and, if the
- 27 claimant neglects to do so for thirty days after demand in
- 28 writing is personally served upon the claimant, the claimant
- 29 shall forfeit and pay twenty-five dollars to the owner or
- 30 general contractor or owner-builder, and be liable to any
- 31 person injured to the extent of the injury.
- 32 Sec. 17. Section 572.30, Code 2009, is amended to read as
- 33 follows:
- 34 572.30 Action by subcontractor or owner against general
- 35 contractor or owner-builder.

- 1 Unless otherwise agreed, a principal general contractor 2 or owner-builder who engages a subcontractor to supply 3 labor or materials or both for improvements, alterations or 4 repairs to a specific owner-occupied dwelling residential 5 construction property shall pay the subcontractor in full for 6 all labor and materials supplied within thirty days after the 7 date the principal general contractor or owner-builder receives 8 full payment from the owner. If a principal general contractor 9 or owner-builder fails without due cause to pay a subcontractor 10 as required by this section, the subcontractor, or the 11 owner by subrogation, may commence an action against the 12 general contractor or owner-builder to recover the amount 13 due. Prior to commencing an action to recover the amount 14 due, a subcontractor, or the owner by subrogation, shall give 15 notice of nonpayment of the cost of labor or materials to 16 the principal general contractor or owner-builder paid for 17 the improvement. Notice of nonpayment must be in writing, 18 delivered in a reasonable manner, and in terms that reasonably 19 identify the real estate improved and the nonpayment complained In an action to recover the amount due a subcontractor, 21 or the owner by subrogation, under this section, the court 22 in addition to actual damages, shall award a successful 23 plaintiff exemplary damages against the general contractor 24 or owner-builder in an amount not less than one percent 25 and not exceeding fifteen percent of the amount due the 26 subcontractor, or the owner by subrogation, for the labor and 27 materials supplied, unless the principal general contractor or 28 owner-builder does one or both of the following, in which case 29 no exemplary damages shall be awarded: 30 Establishes that all proceeds received from the person 31 making the payment have been applied to the cost of labor or 32 material furnished for the improvement.
 - HF 2477 (6) 83

rh/nh/mb

34 the <u>principal</u> <u>general</u> contractor <u>or owner-builder</u> gives 35 a bond or makes a deposit with the clerk of the district

2. Within fifteen days after receiving notice of nonpayment

- 1 court, in an amount not less than the amount necessary
- 2 to satisfy the nonpayment for which notice has been given
- 3 under this section, and in a form approved by a judge of the
- 4 district court, to hold harmless the owner or person having
- 5 the improvement made from any claim for payment of anyone
- 6 furnishing labor or material for the improvement, other than
- 7 the principal general contractor or owner-builder.
- 8 Sec. 18. Section 572.31, Code 2009, is amended to read as
- 9 follows:
- 10 572.31 Co-operative Cooperative and condominium housing.
- 11 A lien arising under this chapter as a result of the
- 12 construction of an apartment house or apartment building which
- 13 is owned on a co-operative cooperative basis under chapter
- 14 499A, or which is submitted to a horizontal property regime
- 15 under chapter 499B, is not enforceable, notwithstanding any
- 16 contrary provision of this chapter, as against the interests
- 17 of an owner in an owner-occupied dwelling a unit contained in
- 18 the apartment house or apartment building acquired in good
- 19 faith and for valuable consideration, unless a lien statement
- 20 specifically describing the dwelling unit is filed under
- 21 section 572.8 within the applicable time period specified in
- 22 section 572.9, but determined from the date on which the last
- 23 of the material was supplied or the last of the labor was
- 24 performed in the construction of that dwelling unit.
- Sec. 19. Section 572.32, subsection 2, Code 2009, is amended
- 26 to read as follows:
- 27 2. In a court action to challenge a mechanic's lien filed on
- 28 an owner-occupied dwelling a residential construction property,
- 29 if the person challenging the lien prevails, the court may
- 30 award reasonable attorney fees and actual damages. If the
- 31 court determines that the mechanic's lien was filed in bad
- 32 faith or the supporting affidavit was materially false, the
- 33 court shall award the owner reasonable attorney fees plus an
- 34 amount not less than five hundred dollars or the amount of the
- 35 lien, whichever is less.

- 1 Sec. 20. Section 572.33, Code 2009, is amended to read as 2 follows:
- 3 572.33 Requirement of notification for commercial
- 4 construction.
- 5 l. The notification requirements in this section apply only
- 6 to commercial construction.
- 7 1. A person furnishing labor or materials to a
- 8 subcontractor shall not be entitled to a lien under this
- 9 chapter unless the person furnishing labor or materials does
- 10 all of the following:
- 11 a. Notifies the principal general contractor or
- 12 owner-builder in writing with a one-time notice containing
- 13 the name, mailing address, and telephone number of the
- 14 person furnishing the labor or materials, and the name of the
- 15 subcontractor to whom the labor or materials were furnished,
- 16 within thirty days of first furnishing labor or materials for
- 17 which a lien claim may be made. Additional labor or materials
- 18 furnished by the same person to the same subcontractor for
- 19 use in the same construction project shall be covered by this
- 20 notice.
- 21 b. Supports the lien claim with a certified statement that
- 22 the principal general contractor or owner-builder was notified
- 23 in writing with a one-time notice containing the name, mailing
- 24 address, and telephone number of the person furnishing the
- 25 labor or materials, and the name of the subcontractor to whom
- 26 the labor or materials were furnished, within thirty days
- 27 after the labor or materials were first furnished, pursuant to
- 28 paragraph "a".
- 29 2. This section shall not apply to a mechanic's lien on
- 30 single-family or two-family dwellings occupied or used or
- 31 intended to be occupied or used for residential purposes.
- Notwithstanding other provisions of this chapter, a
- 33 principal general contractor or owner-builder shall not be
- 34 prohibited from requesting information from a subcontractor
- 35 or a person furnishing labor or materials to a subcontractor

- 1 regarding payments made or payments to be made to a person
- 2 furnishing labor or materials to a subcontractor.
- 3 Sec. 21. <u>NEW SECTION</u>. **572.33A** Liability of owner to general
- 4 contractor commercial construction.
- 5 An owner of a building, land, or improvement upon which
- 6 a mechanic's lien of a subcontractor may be filed, is not
- 7 required to pay the general contractor for compensation for
- 8 work done or material furnished for the building, land, or
- 9 improvement until the expiration of ninety days after the
- 10 completion of the building or improvement unless the general
- 11 contractor furnishes to the owner one of the following:
- 12 l. Receipts and waivers of claims for mechanics' liens,
- 13 signed by all persons who furnished material or performed labor
- 14 for the building, land, or improvement.
- A good and sufficient bond to be approved by the owner,
- 16 conditioned that the owner shall be held harmless from any
- 17 loss which the owner may sustain by reason of the filing of
- 18 mechanics' liens by subcontractors.
- 19 Sec. 22. NEW SECTION. 572.34 State construction registry
- 20 residential construction.
- 21 1. A state construction registry is created within the
- 22 authority. The authority shall adopt rules pursuant to chapter
- 23 17A for the creation and administration of the registry.
- 24 2. The state construction registry shall be accessible to
- 25 the general public through the authority's internet website.
- 26 3. The registry shall be indexed by owner name, general
- 27 contractor name, state construction registry number, property
- 28 address, legal description, and any other identifier considered
- 29 appropriate as determined by the authority.
- 30 4. A general contractor, owner-builder, or subcontractor
- 31 who posts fictitious, forged, or false information to the
- 32 state construction registry shall be subject to a penalty as
- 33 determined by the authority by rule in addition to all other
- 34 penalties and remedies available under applicable law.
- 35 5. A person may post a correction statement with respect to

- 1 a record indexed in the state construction registry internet
- 2 website if the person believes the record is inaccurate or
- 3 wrongfully posted.
- 4 6. The authority shall charge and collect fees as
- 5 established by rule necessary for the administration and
- 6 maintenance of the registry and the registry's internet
- 7 website. The authority shall not charge a filing fee for a
- 8 preliminary notice required pursuant to this chapter that
- 9 exceeds the cost of sending such notice by certified mail with
- 10 restricted delivery and return receipt.
- 11 7. A state construction registry fund is created within
- 12 the authority. Moneys collected by the authority pursuant to
- 13 subsection 6 shall be for the maintenance and administration
- 14 of the state construction registry. The authority shall
- 15 administer the registry on a revenue neutral basis and shall
- 16 adjust fees on an annual basis to prevent the accumulation of
- 17 surplus funds. Section 8.33 does not apply to any moneys in
- 18 the fund, and notwithstanding section 12C.7, subsection 2,
- 19 earnings or interest on moneys deposited in the fund shall be
- 20 credited to the fund.
- 21 8. Notices may be posted to the state construction registry
- 22 electronically on the authority's internet website, or may
- 23 be sent to the authority by United States mail, facsimile
- 24 transmission, or other alternate method as provided by the
- 25 authority pursuant to rule.
- 9. The authority shall send a receipt acknowledging a notice
- 27 submitted by United States mail or facsimile transmission, as
- 28 provided by the authority by rule.
- 29 10. Information collected by and furnished to the authority
- 30 in conjunction with the submission and posting of notices
- 31 pursuant to sections 572.13A and 572.13B shall be used by the
- 32 authority solely for the purposes of the state construction
- 33 registry.
- 34 ll. This section applies only to residential construction
- 35 properties.

1 Sec. 23. EFFECTIVE DATE. This Act takes effect July 1, 2 2011.